

Message Text

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51

ORIGIN EB-07

INFO OCT-01 EA-06 ISO-00 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 RSC-01 SP-02 STR-01 TRSE-00 CIEP-01

FRB-01 OMB-01 L-02 /039 R

DRAFTED BY EB/FTD:AJWILLIAMS:MH

APPROVED BY EB/FTD:MBSMITH

----- 061716

P R 041817Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY SINGAPORE PRIORITY

INFO AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMEMBASSY BANGKOK

AMEMBASSY MANILA

C O N F I D E N T I A L STATE 001934

E.O. 11652: GDS

TAGS: ETRD, SN

SUBJECT: POSSIBLE DEFAULTING ON COTTON CONTRACTS

1. TEXTILE MILLS IN FOUR EAST ASIAN COUNTRIES HAVE BEEN THREATENING TO DEFAULT ON CONTRACTS TO PURCHASE COTTON FROM U.S. SHIPPERS. THESE FORWARD CONTRACTS WERE NEGOTIATED LAST SPRING AT PRICES WHICH AVERAGE AS MUCH AS 30 CENTS PER POUND ABOVE CURRENT PRICE OF APPROXIMATELY 40 CENTS. DRAMATIC FALL-OFF IN DEMAND FOR TEXTILES HAS STRANDED MANY MILLS WITH CONTRACTS FOR MUCH COTTON AT HIGH PRICES. IN THIS SITUATION, SOME EAST ASIAN MILLS HAVE NOT OPENED LETTERS OF CREDIT AS REQUIRED BY THEIR CONTRACTS, BUT NO PROBLEMS INVOLVING MILLS IN SINGAPORE HAD BEEN REPORTED.

2. A U.S. SHIPPER NOW MAINTAINS THAT GOS WILL NOT ALLOW IMPORTATION OF COTTON ABOVE A CERTAIN PRICE. ANOTHER VERSION OF STORY INDICATES THAT GOS HAS AGREED TO CONDONE

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COTTON CONTRACT DEFAULTS. REQUEST EMBASSY INVESTIGATE

SITUATION AND REPORT FINDINGS. LOCAL REPRESENTATIVES OF
U.S. COTTON SHIPPERS SHOULD PROVIDE ONE SOURCE OF INFORMA-
TION. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, TEXTILES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE001934
Document Source: CORE
Document Unique ID: 00
Drafter: AJWILLIAMS:MH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750004-0689
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750177/aaaacpzg.tel
Line Count: 64
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2003 by ElyME>; APPROVED <16 SEP 2003 by greeneet>
Review Markings:

Margaret P. Grafeld
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EO Systematic Review
05 JUL 2006

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE DEFAULTING ON COTTON CONTRACTS
TAGS: ETRD, SN
To: SINGAPORE
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